

AR04



Universal Sections
Limited

Annual Report
1976

Financial Highlights

	1976	1975
Sales	\$26,404,900	\$27,569,597
Net income	\$ 268,912	\$ 755,618
Per share	\$ 0.59	\$ 1.62
Cash flow from operations	\$ 1,099,607	\$ 1,419,043
Per share	\$ 2.42	\$ 3.04
Working capital	\$ 2,616,908	\$ 2,502,776
Shareholders' equity	\$ 4,191,805	\$ 3,968,393
Per share	\$ 9.21	\$ 8.72*
Number of issued shares	467,901	467,901

*The Company holds 12,900 of the issued shares.

Corporate Information

Directors Maurice Fagan, B.A., LL.B.; Gerry Rousseau;

K. G. R. Gwynne-Timothy, Q.C.; John Burchynsky;

John Bossons, Ph.D.; William Smart; Henry Fagan.

Officers Maurice Fagan, President;

William Smart, Vice-President, Ontario Operations;

Gerry Rousseau, Vice-President, Eastern Operations;

John Burchynsky, Vice-President, Western Operations;

K. G. R. Gwynne-Timothy, Secretary-Treasurer.

Bankers Canadian Imperial Bank of Commerce;

Toronto-Dominion Bank (For Certain Subsidiaries).

Transfer Agent and Registrar Canada Permanent Trust Company

Auditors Thorne Riddell & Co.

Common Shares Listed, Toronto Stock Exchange.

Head Office 60 Esna Park Drive, Markham, Ontario.

Cover

The Universal system of Residential Steel Floor Joist offers an exciting new dimension in the design and quality of Housing Construction.

President's Report to the Shareholders



Economic conditions were generally difficult, and except for Alberta and Saskatchewan, construction activity was modest. The situation had changed from one of tight supply to one of low demand and inventory adjustment. Emphasis was switched from commercial and high rise residential construction to single family and town

house accommodations, which meant a shift in product use.

Sales were down from last year by \$1,164,697, not taking into account the inflation factor. Costs of goods were higher but could not fully be passed on. Depreciation and interest were up by \$216,255.

In view of these factors, the Company has shown a respectable profit before taxes of \$806,899 or \$420,500 after taxes. Provisions for loss on investment and share of losses in 50% owned companies took a bite of \$151,588 off the income resulting in a net profit of \$268,912.

Activities during the year

Management anticipated some of the problems described above, and made an early decision to find new geographic markets, as well as expand on the product lines.

The Company opened operations in Regina, Saskatchewan, Vancouver, B.C. and Red Deer, Alberta. In the U.S.A., a plant was established in Atlanta, Georgia, and a warehouse operation started in Boston, New England. A sales office was established in the United Kingdom, with a resident sales staff of four.

The Toronto and Ottawa operations have added drywall, ceiling tiles, insulation and related materials, thus establishing a building material division, very much like the ones established by the Company's operations in Western Canada.

Equipment was put in place in Toronto for the manufacturing of residential siding, steel decking and industrial steel and aluminum cladding.

New equipment was purchased to handle the increased business in Western Canada. Alberta Drywall Supply opened

a new warehouse in the south part of Edmonton, and moved into new premises to cope with increased demand for the Runwell Doors shown and described in this report. Equipment has been purchased but not yet installed for operations in the United States and Montreal. The expansion in Montreal is behind schedule; the town's slowness in putting in the road, and the hydro strike prevented the new premises from being readied in time.

New computers were installed in Montreal and Edmonton to facilitate administration and information reporting.

Sales and marketing personnel has been substantially increased.

All those activities have of course resulted in unusual costs (installation, start up, inventory financing, support of salesmen).

Activities since the year end

Foam Form Canada Limited, a 50% owned company, has reorganized its Toronto operation, adding manufacturing of insulation to its product line, which it is believed will make that company profitable in the current year. Two licence deals have been signed and several are being negotiated.

The roof decking and cladding line shown in this report was made fully operative and good inroads have been made, with substantial orders already in hand.

The siding division too has become operative and begun to contribute to sales.

Alberta and Saskatchewan continue to operate at a feverishly active pace, with excellent results.

Some considerable progress has been made in exports, although the strength of the Canadian dollar is certainly a problem that affects margins. The potential there is very encouraging.

Our prediction for this year is increased sales and improved profits.

Appreciation

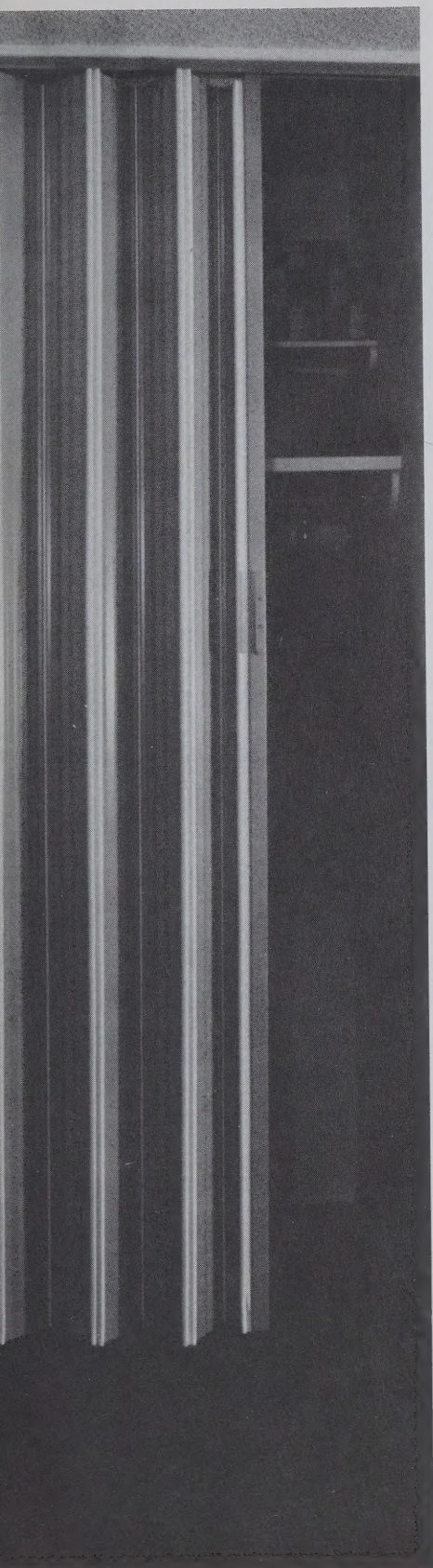
I thank all connected with the Company for their continued efforts and tremendous enthusiasm.

On behalf of the Board of Directors

August 26, 1976

Maurice Fagan, President



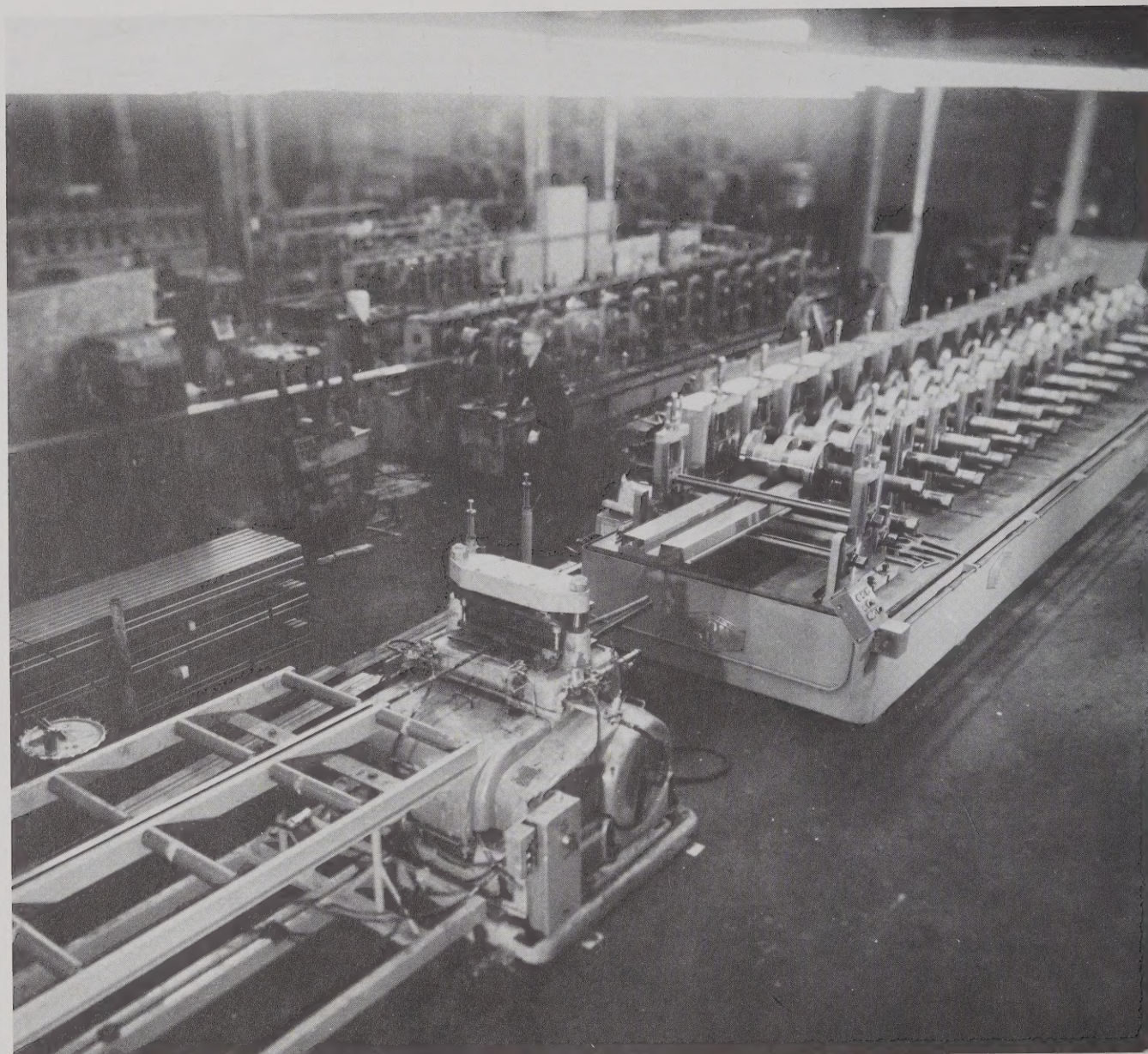


Runwell Steel Folding Door

Manufactured from tough prepainted steel in colours suitable to most decors, the Universal Runwell Folding Door offers a unique change from the use of conventional wooden slab doors.

Attractive in appearance and widely accepted in application the Runwell Folding Door because of its folding characteristics offers the home owner a means of utilizing valuable space.

Each door comprises of prefinished steel panels structurally joined together and acoustically separated by crimping in place vinyl hinges. A nylon trolley assembly supports each panel and thus ensures easy operation of the door through all conditions.

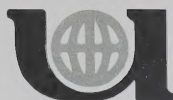


Structural Roof Deck and Cladding

The Company has recently installed equipment for the manufacture of steel roof deck and cladding at the Toronto operation.

This equipment is of the latest design and capability adding a new dimension to the extent of Universal's involvement in the construction industry and will ensure continued participation and growth in commercial and industrial developments in the future.





Universal Sections Limited

and subsidiary companies

Consolidated Statement of Income

Year ended March 31, 1976

	1976	1975
Sales	\$26,404,900	\$27,569,597 ✓
Cost of sales and expenses other than the undernoted items	24,261,191	24,807,861
	2,143,709	2,761,736
Depreciation and amortization	586,670	464,725
Interest on long-term debt	340,867	276,413
Other interest expense	409,273	379,417
	1,336,810	1,120,555
Income before income taxes and undernoted items	806,899	1,641,181
Income taxes	386,399	798,195
	420,500	842,986
50% Owned companies		
Share in loss	51,588	22,887
Provision for loss on investment and advances	100,000	
	151,588	22,887
Income from continuing operations	268,912	820,099
Provision for loss of investment in 50% owned company, Yardmaster Limited		75,981
Income before extraordinary item	✓ 268,912	✓ 744,118
Income tax reduction realized on loss carry-forward of a subsidiary company		* 11,500
Net income	\$ 268,912	\$ 755,618
Earnings per share (note 8)		
Income from continuing operations	\$0.59	\$1.76
Income before extraordinary item	✓ 0.59	✓ 1.59
Net income	0.59	* 1.62



Universal Sections Limited

(Incorporated under the laws of Ontario)
and subsidiary companies

Consolidated Balance Sheet as at March 31, 1976

ASSETS

	1976	1975
Current Assets		
Accounts receivable	\$ 6,364,980	\$ 4,560,817
Inventories (note 2)	6,454,213	6,149,774
Prepaid expenses	141,274	123,035
	<u>12,960,467</u>	<u>10,833,626</u>
Investments (note 3)	786,783	637,646
Fixed Assets (note 4)		
Leasehold improvements and equipment, at cost	6,619,805	5,067,807
Less accumulated depreciation	3,486,749	2,961,156
	<u>3,133,056</u>	<u>2,106,651</u>
Other Assets and Deferred Charges		
Deferred charges, less amortization	161,436	62,768
Patents and licences, at cost less amortization	43,967	54,427
Excess of cost over book value at dates of acquiring shares of subsidiaries	442,326	442,326
Goodwill	85,000	85,000
	<u>732,729</u>	<u>644,521</u>
	<u>\$17,613,035</u>	<u>\$14,222,444</u>

Approved by the Board

Maurice Fagan, Director

John Bossons, Director

LIABILITIES

	1976	1975
Current Liabilities		
Bank advances (note 5)	\$ 4,977,517	\$ 4,336,513
Accounts payable and accrued liabilities (note 6)	4,418,703	2,813,495
Income and other taxes payable	537,570	851,831
Principal due within one year on long-term debt	409,769	329,011
	<u>10,343,559</u>	<u>8,330,850</u>
Long-Term Debt (note 7)	2,394,379	1,333,069
Deferred Income Taxes	<u>683,292</u>	<u>590,132</u>

SHAREHOLDERS' EQUITY

Capital Stock (note 8)		
Authorized—600,000 shares without par value		
Issued —467,901 shares	636,219	636,219
Retained Earnings	<u>3,618,071</u>	<u>3,394,659</u>
	4,254,290	4,030,878
Deduct cost of 12,900 shares acquired	<u>62,485</u>	<u>62,485</u>
	<u>4,191,805</u>	<u>3,968,393</u>
	<u>\$17,613,035</u>	<u>\$14,222,444</u>
Contingent liabilities (note 9)		
Long-term leases (note 10)		

Consolidated Statement of Retained Earnings

Year ended March 31, 1976

	1976	1975
Balance at beginning of year	\$3,394,659	\$2,685,831
Net income	268,912	755,618
	<u>3,663,571</u>	<u>3,441,449</u>
Dividends	45,500	46,790
Balance at end of year	<u>\$3,618,071</u>	<u>\$3,394,659</u>

Consolidated Statement of Changes in Financial Position

Year ended March 31, 1976

	1976	1975
Working capital derived from		
Operations		
Income from continuing operations	\$ 268,912	\$ 831,599
Items not involving working capital		
Depreciation and amortization	586,670	464,725
Deferred income taxes	93,160	99,832
Share in loss of 50% owned companies, net of dividends received of \$10,000	161,588	22,887
Other	(10,723)	
	<u>1,099,607</u>	<u>1,419,043</u>
Sale of fixed assets	27,218	21,439
Decrease in long-term portion of licence fees receivable		84,000
Decrease in debenture and mortgage receivable	12,000	77,986
Proceeds from issue of long-term debt	<u>1,500,426</u>	
	<u>2,639,251</u>	<u>1,602,468</u>
Working capital applied to		
Additions to fixed assets	1,583,534	736,566
Increase in deferred charges	134,244	17,126
Decrease in non-current portion of long-term debt	439,116	636,504
Increase in advances to 50% owned companies	219,725	116,805
Increase in long-term portion of licence fees receivable	103,000	
Dividends	45,500	46,790
Purchase of capital stock		62,485
	<u>2,525,119</u>	<u>1,616,276</u>
Increase (Decrease) in working capital	114,132	(13,808)
Working capital at beginning of year	<u>2,502,776</u>	<u>2,516,584</u>
Working capital at end of year	<u>\$2,616,908</u>	<u>\$2,502,776</u>

Notes to Consolidated Financial Statements

Year ended March 31, 1976

1. Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements include the accounts of all subsidiary companies; all material intercompany transactions have been eliminated.

Investments in 50% owned companies are carried on the balance sheet at cost less provision for losses and the company's share of undistributed earnings or losses.

(b) Translation of foreign currencies

Balances in U.S. currency have been translated at par. Differences from historical or average rates are immaterial.

(c) Inventories

Raw materials are valued at lower of cost and replacement cost. Finished goods are valued at the lower of cost and net realizable value.

(d) Fixed assets

Fixed assets are depreciated on the straight line basis at the following rates:

Leasehold improvements	20%
Rolls and dies	10%-33 1/3%
Machinery and equipment	10%
Automotive equipment	30%
Office equipment	10%

(e) Deferred charges

The company is amortizing the material portion of these charges over a period of 3 to 5 years.

(f) Goodwill

Goodwill and excess of cost over book value at dates of acquiring shares of subsidiaries, all arising from acquisition of subsidiaries or purchase of assets prior to 1974, are carried at cost.

2. Inventories

	1976	1975
Raw materials	\$2,856,206	\$3,111,565
Finished goods	3,598,007	3,038,209
	<u>\$6,454,213</u>	<u>\$6,149,774</u>

3. Investments

	1976	1975
Investment in and advances to 50% owned companies	\$ 415,783	\$ 376,383
Licence fees receivable	331,000	331,000
Mortgages receivable	118,500	253,390
	<u>865,283</u>	<u>960,773</u>
Less portion included in accounts receivable	78,500	323,127
	<u>\$ 786,783</u>	<u>\$ 637,646</u>

The licence fees receivable were assigned to Universal during 1973 by Foam Form Canada Limited (a 50% owned company) as partial settlement

of advances. Universal has a right of recourse to Foam Form if these accounts prove uncollectible. Full recovery of the investment in and advances to Foam Form of \$645,780 (before provision for losses provided to March 31, 1976 of \$376,251) and of the licence fees of \$331,000 is dependent upon Foam Form and the licencees achieving profitable operations.

4. Fixed assets	1976			1975
	Cost	Accumulated depreciation	Net	Net
Leasehold improvements	\$ 495,837	\$ 187,501	\$ 308,336	\$ 267,768
Machinery and equipment	4,975,730	2,804,066	2,171,664	1,599,473
Office and automotive equipment	1,148,238	495,182	653,056	239,410
	<u>\$6,619,805</u>	<u>\$3,486,749</u>	<u>\$3,133,056</u>	<u>\$2,106,651</u>

5. Bank advances

The bank advances are secured by pledge of book debts and in certain cases inventory, and in one subsidiary by a demand debenture over that company's assets.

6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is \$224,022 (1975, \$43,193) due to Professional Machine & Tool Company Limited, a 50% owned company.

7. Long-term debt

	1976	1975
Secured debentures, interest payable at prime plus 2¼% (12½% at March 31, 1976)		
Principal repayable in monthly instalments of \$10,830, the balance due June 1, 1979	\$1,061,740	\$1,191,700
Principal repayable in monthly instalments of \$6,250, the balance due December 15, 1980	881,250	
Principal repayable in monthly instalments increasing from \$1,700 to \$3,000 to the debentures maturity January 29, 1981	133,537	
Secured notes		
Secured by mortgage receivable, 13%, due June 11, 1976	85,000	85,000
Secured by equipment, at rates from 9% to 14% (1975, 11½% to 12%) repayable in instalments to January 1981	375,239	103,069
Unsecured notes payable, due in instalments to 1977, of which \$28,382 is interest-free and the balance at rates from 7% to 14% (1975, 7% to 12¼%)	267,382	282,311
	<u>2,804,148</u>	<u>1,662,080</u>
Less principal included in current liabilities	<u>409,769</u>	<u>329,011</u>
	<u>\$2,394,379</u>	<u>\$1,333,069</u>

Included in unsecured notes payable are liabilities to shareholders of \$243,382 (1975, \$111,239).

The debentures are secured by a first charge on all equipment, a mortgage on certain leasehold interests and a floating charge on the remaining assets of Universal Sections Limited and certain of its subsidiaries. Restrictions are placed on consolidated working capital, consolidated debt and the granting of guarantees by the company.

The declaration of dividends is prohibited if the company is in contravention of any terms of the debenture. In addition, a major shareholder is required to maintain ownership of a stipulated percentage of the voting shares of the company.

Long-term debt maturities for each of the four years subsequent to 1977 are approximately as follows:

1978	\$603,000
1979	\$316,000
1980	\$832,000
1981	\$636,000

8. Capital stock

At March 31, 1976, 41,000 shares were reserved for the exercise of warrants issued to debenture holders. The warrants are exercisable on or before November 15, 1980 at \$7.50 per share. These warrants have no significant effect on earnings per share.

9. Contingent liabilities

The company has guaranteed bank loans of 50% owned companies to a maximum of \$261,000. The loans outstanding at March 31, 1976 amounted to \$256,000.

The company has guaranteed a promissory note and equipment lease for 50% owned companies aggregating approximately \$102,100 at March 31, 1976.

The company is contingently liable for an amount of \$146,000, payable in the event that certain equipment acquired in 1971 performs satisfactorily in a specific application.

A statement of claim has been filed claiming damages of approximately \$100,000. The company expects to defend any action in respect of the claim successfully and, accordingly no provision for loss has been recorded.

10. Long-term leases

The aggregate rental obligations for land and buildings, and production machinery and office equipment under long-term leases expiring at various dates from 1977 through 1993 are approximately \$6,742,000 and \$579,000 respectively, payable as follows:

	Land and Buildings	Production Machinery and Office Equipment
1977	\$ 513,000	\$153,000
1978	508,000	147,000
1979	501,000	147,000
1980	496,000	46,000
1981	483,000	35,000
1982-86	2,198,000	46,000
1987-91	1,733,000	5,000
1992-93	310,000	
	<u>\$6,742,000</u>	<u>\$579,000</u>

11. Anti-Inflation Legislation

The Government of Canada enacted Anti-Inflation Legislation which provides as from October 14, 1975 for the restraint of increases of dividends. The maximum dividend allowable in the twelve months ending October 13, 1976 is \$.40 per share.

12. Other statutory information

Remuneration of directors and senior officers (as defined by The Business Corporations Act) amounted to \$329,070 (1975, \$431,900).

Auditors' Report

To the Shareholders of Universal Sections Limited

We have examined the consolidated balance sheet of Universal Sections Limited and subsidiary companies as at March 31, 1976 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination of Universal Sections Limited, the 50% owned companies, and those subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. For those subsidiaries of which we are not the auditors, we have carried out such enquiries and examinations as we considered necessary in order to rely on the reports of other auditors for purposes of consolidation.

In our opinion, subject to the recovery of the investment in and advances to Foam Form Canada Limited and of the licence fees as set out in note 3, these consolidated financial statements present fairly the financial position of the companies as at March 31, 1976 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
August 12, 1976

THORNE, RIDDELL & CO.
Chartered Accountants

Consolidated Five Year Summary

(in thousands of dollars)

	1976	1975	1974	1973	1972
Sales	\$26,405	\$27,570	\$25,270	\$24,783	\$20,801
Income from continuing operations before equity in 50% owned companies*	421	843	653	433	201
Income before extraordinary items	269	744	446	386	150
Net income for year	269	756	412	519	384
Cash flow from operations	1,100	1,419	1,284	903	706
Working capital	2,617	2,503	2,517	360	374
Investments	787	638	782	637	308
Fixed assets—net	3,133	2,107	1,802	2,002	1,995
Other assets	733	644	681	989	915
Total net assets	7,270	5,892	5,782	3,988	3,592
Less: Long-term debt	2,394	1,333	1,970	736	833
Deferred income tax	683	590	490	275	339
Minority interest				74	78
Shareholders' equity	4,192	3,969	3,322	2,903	2,342
Per share:					
Income from continuing operations before equity in 50% owned companies*	\$.90	\$ 1.81	\$ 1.40	\$.94	\$.44
Income before extraordinary items	\$.59	\$ 1.59	\$.95	\$.84	\$.32
Net income	\$.59	\$ 1.62	\$.88	\$ 1.12	\$.83
Cash flow from operations	\$ 2.42	\$ 3.04	\$ 2.74	\$ 1.93	\$ 1.53
Shareholders' equity	\$ 9.21	\$ 8.72†	\$ 7.10	\$ 6.22	\$ 5.08
Net income return on equity %	6.8	22.7	14.2	22.0	17.7

*The 1972 figures include the results of the discontinued subsidiary.

†The Company holds 12,900 of the issued shares.



Canopy

UNIVERSAL SECTIONS LIMITED

INTERIM REPORT TO SHAREHOLDERS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1976

To The Shareholders

We are pleased to report results for six months ending September 30th, 1976. Sales are at a record, having increased 62% from \$11,872,638 to \$19,241,642.

Profits have remained constant with a modest increase from \$350,014 to \$363,767.

Net book value has risen to \$10.01 per share, reaching double digits for the first time.

Working capital has increased by \$361,518 to \$2,978,426.

Although the general economy will remain somewhat level, with a gradual upward trend beginning mid 1977, there are several very positive factors peculiar to your Company.

After a six months' delay due to strikes in the construction industry, the Company's Quebec operations have now expanded into the new premises and are beginning to get quite active in meeting production and delivering goods required by their fairly full order books, for both the domestic and export markets.

Although economic conditions in Ontario have squeezed sales and profit margins, the Company, through its increased sales force, has sown the seeds of new product lines, and will show the benefits beginning in the spring of 1977.

The Company's operations in Alberta are very successful, and we fully anticipate that trend to continue for a good while.

This fiscal year should end on a positive and satisfactory level of sales and profits.

MAURICE FAGAN

December 21, 1976.

President

UNIVERSAL SECTIONS LIMITED

CONSOLIDATED STATEMENT OF INCOME

Six Months Ended September 30, 1976
(with comparative figures for 1975)

	1976	1975
Sales	\$19,241,642	\$11,872,638
Cost of sales and expenses before undernoted items	17,786,532	10,618,584
	<u>1,455,110</u>	<u>1,254,054</u>
Depreciation and amortization	362,078	243,387
Interest Expense—Long-Term	224,785	102,089
— Current	205,885	248,574
	<u>792,748</u>	<u>594,050</u>
Income from operations before taxes	662,362	660,004
Provision for income taxes	317,921	297,000
Net income from continuing operations before equity in 50% owned companies	344,441	363,004
Equity in income (loss) of 50% owned companies	19,326	(12,990)
Net income for period	<u>\$ 363,767</u>	<u>\$ 350,014</u>
Total net income per share	<u>79.9¢</u>	<u>76.9¢</u>

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the Six Months Ended September 30, 1976
(with comparative figures at September 30, 1975)

Balance at beginning of period	\$ 3,618,071	\$ 3,394,659
Add: Net Income for period	363,767	350,014
Balance at end of period	<u>\$ 3,981,838</u>	<u>\$ 3,744,673</u>

UNIVERSAL SECTIONS LIMITED

(Incorporated Under the Laws of Ontario)
and Subsidiary Companies

CONSOLIDATED BALANCE SHEET — September 30, 1976

(with comparative figures at September 30, 1975)

ASSETS	1976	1975
Current		
Accounts receivable.....	\$ 8,866,932	\$ 5,488,569
Inventories, at lower of cost or market	6,998,502	5,723,756
Prepaid expenses	201,206	152,092
	<hr/> 16,066,640	<hr/> 11,364,417
Investments		
Interest in 50 percent owned companies	478,137	441,022
Non-current receivable	271,000	168,000
Debenture receivable	12,000	109,000
	<hr/> 761,137	<hr/> 718,022
Fixed, at cost less accumulated depreciation	3,557,550	2,338,603
Other.....	175,646	115,424
Excess of cost over book value at dates of acquiring shares of subsidiaries	442,326	442,326
Goodwill.....	85,000	85,000
	<hr/>	<hr/>
TOTAL ASSETS	\$21,088,299	\$15,063,792
	<hr/> <hr/>	<hr/> <hr/>

UNIVERSAL SECTIONS LIMITED

(Incorporated Under the Laws of Ontario)
and Subsidiary Companies

CONSOLIDATED BALANCE SHEET — September 30, 1976

(with comparative figures at September 30, 1975)

LIABILITIES	1976	1975
Current		
Bank advances against which book debts and inventories have been pledged	\$ 6,418,161	\$ 4,548,669
Accounts payable and accrued liabilities	5,694,477	2,893,109
Income taxes payable.....	497,316	1,017,805
Principal amount due within one year on long-term debt.....	478,260	349,888
	<u>13,088,214</u>	<u>8,809,471</u>
Long-Term Debt.....	2,667,260	1,310,059
Deferred Income Taxes	777,253	625,855
TOTAL LIABILITIES	<u>16,532,727</u>	<u>10,745,385</u>
SHAREHOLDERS' EQUITY		
Capital Stock		
Authorized: 600,000 shares without par value		
Issued: 467,901 shares	636,219	636,219
Retained Earnings:		
per statement attached.....	3,981,838	3,744,673
	<u>4,618,057</u>	<u>4,380,892</u>
Deduct: cost of shares acquired	62,485	62,485
	<u>4,555,572</u>	<u>4,318,407</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$21,088,299</u></u>	<u><u>\$15,063,792</u></u>

UNIVERSAL SECTIONS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Six Months Ended September 30, 1976

(with comparative figures for 1975)

	1976	1975
Working capital derived from:		
Operations		
Income from continuing operations	\$ 363,767	\$ 350,014
Items not involving working capital		
Depreciation and amortization	362,078	245,158
Deferred income taxes	93,961	35,723
	<hr/> 819,806	<hr/> 630,895
Sale of fixed assets	36,460	23,542
Proceeds from issue of long-term debt	646,136	—
Decrease in investments	88,000	3,000
	<hr/> 1,590,402	<hr/> 657,437
Working capital applied to:		
Additions to fixed assets	753,605	498,881
Increase in investments	62,354	83,376
Increase in deferred charges	39,670	—
Decrease in long-term debt	373,255	23,010
	<hr/> 1,228,884	<hr/> 605,267
Increase (Decrease) in working capital	361,518	52,170
Working capital at beginning of year	2,616,908	2,502,776
Working capital at end of year	<hr/> <u>\$ 2,978,426</u>	<hr/> <u>\$ 2,554,946</u>